

IRS News Release

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HUD and IRS Launch Joint Effort to Help Families

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WASHINGTON — The Department of Housing and Urban Development and the Internal Revenue Service announced today they will join forces to help low-income taxpayers receive free tax assistance and learn about important tax benefits. The new partnership will help low-income people with such things as free tax return preparation, the Earned Income Tax Credit and the child tax credit.

The partnership agreement signed today by HUD Secretary Alphonso Jackson and IRS Commissioner Mark W. Everson will result in improved services and greater coordination to reach low-income taxpayers. These taxpayers may benefit from but be unaware of critical tax breaks such as the Earned Income Tax Credit (EITC).

Last year, 21 million low-income families qualified for EITC and received \$36 billion. IRS studies indicate millions more are eligible but fail to claim the credit. The maximum credit is \$4,300 for a family with two or more children.

“Today we take a giant step toward educating the public, particularly lower income families involved in HUD’s programs, of the significant tax savings that are available to them,” said Jackson. “Just think about how much money can be put in the pockets of working families across America if everyone took advantage of the tax breaks available to them.”

“One of our important objectives is to assure that all people get the benefits they are entitled to. We can help low-income people fully participate in the tax system through free tax return preparation and information on EITC and other credits,” said Everson. “I commend Secretary Jackson and HUD leaders for helping expand outreach to this important group of taxpayers.”

The agreement between HUD and IRS will emphasize greater coordination, outreach and the leveraging of existing services. The partnership will work to encourage community-based collaboration to educate and assist low-income families.

The IRS Volunteer Income Tax Assistance (VITA) Program prepares, for free, tax returns for millions of low-income families annually. Under the new partnership, for example, the two agencies would be able to set up free tax preparation VITA sites at HUD facilities such as Neighborhood Network Centers and Family Investment Centers.

The purpose of the partnership agreement between HUD and IRS is to:

- assist low-income persons in meeting their tax obligations by providing educational outreach,
- assist low-income persons and families in free tax preparation and free electronic filing of federal tax returns,
- provide and disseminate information on earned income tax credits, child tax credits, child care tax credits and individual development accounts to low and moderate income families eligible to receive these benefits, and
- provide and disseminate information on how tax credits can be used to build assets.

HUD funds more than 3,400 housing authorities nationwide. These housing authorities have 3 million low-income residents, many of whom may be eligible for certain tax benefits.

The IRS hopes to work through these community organizations to improve its outreach to and education of taxpayers. HUD will notify all grantees and encourage them to assist the IRS with its outreach efforts and to educate taxpayers about free tax assistance sites.

The partnership with HUD is the newest addition to an already extensive coalition working with the IRS to offer free tax help and education. IRS' Stakeholder Partnerships, Education and Communication division and its partners have built 265 community coalitions representing thousands of organizations such cities, colleges and banks and agencies such as HUD.